

## Message Text

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ACTION PM-05

INFO OCT-01 ARA-10 ISO-00 CIAE-00 H-01 INR-10 L-03  
NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 OMB-01  
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R 262158Z JUL 78  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC 8893  
SECDEF WASHDC  
INFO AMEMBASSY LA PAZ  
AMEMBASSY LIMA  
AMEMBASSY SANTIAGO  
AMCONSUL GUAYAQUIL  
USCINCSO QUARRY HTS CZ  
JCS WASHDC  
CSA WASHDC  
CNO WASHDC  
CSAF WASHDC

S E C R E T SECTION 1 OF 3 QUITO 5154

E.O. 11652: GDS  
TAGS: MASS, MPOL, EC  
SUBJECT: ANNUAL INTEGRATED ASSESSMENT OF SECURITY ASSISTANCE

REFS: (A) STATE 167901; (B) STATE 168320; (C) STATE 182987;

THIS MESSAGE IS IN RESPONSE TO REF A. THE FOLLOWING PARAGRAPHS  
CORRESPOND TO, AND ARE NUMBERED THE SAME AS, QUESTIONS POSED  
IN PARAS. 3.A.(1) - 3.A.(13) OF THAT REFERENCE, AS AMENDED BY  
REFS B AND C.

1. US INTERESTS/OBJECTIVES.

A. US SECURITY ASSISTANCE FOR ECUADOR IS JUSTIFIABLE PRIMARILY  
ON FOREIGN POLICY GROUNDS CONTRIBUTING TO SEVERAL MAJOR GOALS.  
ONE GOAL RELATES DIRECTLY TO THE MAINTENANCE OF PEACE IN THE  
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ANDEAN REGION. THERE HAS BEEN CONTINUING CONCERN OVER THE  
POTENTIAL FOR CONFLICT IN THE REGION AND A MODERATE SECURITY  
ASSISTANCE PROGRAM IS THE MOST EFFECTIVE MEANS WE HAVE TO  
MAINTAIN CONTACT WITH AND EXERCISE A MODERATING INFLUENCE OVER  
THE ECUADOREAN ARMED FORCES, INCLUDING DISCOURAGING THEM FROM  
SEEKING MORE SOPHISTICATED, COSTLY SUBSTITUTES. A  
SECOND GOAL DERIVES FROM PRESIDENT CARTER'S STATEMENT IN

HIS DECLARATION OF THE ADMINISTRATION'S ARMS TRANSFER POLICY THAT THE US WILL BE RESPONSIVE TO FRIENDLY AND ALLIED GOVERNMENTS, PARTICULARLY WHEN THEY MUST OFFSET QUANTITATIVE OR OTHER DISADVANTAGES IN ORDER TO MAINTAIN A REGIONAL BALANCE, AND TO HIS STATEMENT IN THE INAUGURAL ADDRESS THAT THE US WOULD STAND BY THOSE COUNTRIES WHICH RESPECT HUMAN RIGHTS AND PROMOTE DEMOCRATIC IDEALS. OUR BILATERAL RELATIONS WITH ECUADOR ARE THE BEST THEY HAVE BEEN IN AT LEAST 15 YEARS; ECUADOR HAS A RELATIVELY GOOD HUMAN RIGHTS RECORD; AND THE GOE IS NOW IN THE PROCESS OF TURNING GOVERNMENT OVER TO AN ELECTED, CIVILIAN REGIME. UNDER THESE CIRCUMSTANCES ECUADOR DESERVES AND HAS A RIGHT TO EXPECT OUR SUPPORT IN AN AREA IT DEEMS OF IMPERATIVE NATIONAL INTEREST: SECURITY ASSISTANCE.

B. OUR SECURITY ASSISTANCE PROGRAM HAS THE FOLLOWING SPECIFIC OBJECTIVES. FIRST, TO ALLOW US TO MAINTAIN A COOPERATIVE RELATIONSHIP WITH THE ECUADOREAN ARMED FORCES ENABLING US TO MAXIMIZE THE POSSIBILITY OF ACTING AS A RESTRAINING INFLUENCE ON THOSE ARMED FORCES, BOTH IN TERMS OF EQUIPMENT PURCHASES AND POTENTIAL INVOLVEMENT IN REGIONAL HOSTILITIES. SECOND, TO ALLOW ECUADOR TO ACQUIRE LIMITED TYPES AND QUANTITIES OF DEFENSIVE MILITARY EQUIPMENT IN RESPONSE TO ITS PERCEIVED THREAT. THIRD, TO ENCOURAGE THE TRAINING OF ECUADOREAN OFFICERS AND ENLISTED MEN IN US SCHOOLS BOTH SO THAT THEIR TRAINING IS THE BEST  
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AVAILABLE, AND TO INFLUENCE THEM BY DIRECT EXPERIENCE WITH THE US AND OUR WAY OF LIFE.

## 2. THREAT AND HOST COUNTRY STRATEGY.

A. THE ECUADOREAN ARMED FORCES ARE PRESENTLY CONCERNED ABOUT THEIR CAPABILITY TO MEET A PERCEIVED EXTERNAL THREAT. THERE ARE NO PROSPECTIVE INTERNAL THREATS TO NATIONAL STABILITY AND THE ARMED FORCES ARE CAPABLE OF MEETING WHAT INTERNAL SECURITY PROBLEMS MIGHT ARISE. THE GOE IS, HOWEVER, EXTREMELY CONCERNED ABOUT THE POTENTIAL THREAT PRESENTED BY PERU, ITS SOUTHERN AND WESTERN NEIGHBOR, WHICH HAS ENGAGED IN A DELIBERATE PATTERN OF ACQUISITION OF OFFENSIVE WEAPONS. THE GOE BELIEVES THAT ECUADOR WOULD BE DRAWN IN TO A REGIONAL CONFLICT INVOLVING PERU AND CHILE, AND POSSIBLY INCLUDING BOLIVIA AND ARGENTINA. IT ALSO BELIEVES PERU COVETS ECUADOREAN OIL FIELDS IN THE EASTERN, JUNGLE REGION OF THE COUNTRY.

B. PERCEIVING THIS THREAT, ECUADOR'S BASIC STRATEGY HAS BEEN TO ACQUIRE DEFENSIVE ARMAMENTS WHICH WOULD PERMIT IT TO INSURE ITS ABILITY TO EITHER DISCOURAGE OR REPEL PERUVIAN AGGRESSION. UNFORTUNATELY, THE PLANNING ABILITY OF THE ECUADOREAN ARMED FORCES IS MINIMAL, AND THE

REACTION HAS BEEN TO TAKE A SHOTGUN APPROACH TO EQUIPMENT PURCHASES. THE ARMY HAS ACQUIRED A VARIETY OF ANTI-TANK WEAPONRY AND IS IN THE MARKET FOR MORE, WITH THE INTENTION OF STOPPING A POSSIBLE PERUVIAN ARMORED ATTACK THROUGH THE VULNERABLE COASTAL LOWLANDS. THE AIR FORCE HAS CONTRACTED FOR INTERCEPTORS (MIRAGE F-1) AND IS CURRENTLY STUDYING PURCHASE OF AN INTEGRATED AIR DEFENSE RADAR/MISSILE SYSTEM DESIGNED TO COUNTER POSSIBLE PERUVIAN STRIKES AT AIR BASES OR ARMY REACTION BASES.

C. THE EMBASSY NOTES THAT THE 1975 PURCHASE OF 12 JAGUAR ATTACK AIRCRAFT DOES NOT FIT EASILY INTO THIS STRATEGY. THE GOE PURCHASED THE JAGUAR BEFORE IT WAS REALLY CONCERNED ABOUT THE PERUVIAN ARMS BUILDUP, LARGELY AS A WAY TO UPGRADE ITS AIR FORCE TO SUPERSONIC STATUS, AND WITHOUT ANY  
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PARTICULAR PLANS FOR ITS UTILIZATION. IN MID-1977, FRUSTRATED IN ITS EFFORTS TO BUY THE KFIR OR A US ALTERNATIVE, THE GOE TOYED WITH THE IDEA OF BUYING USED MIRAGE ATTACK AIRCRAFT FROM ISRAEL AND BASING ITS STRATEGY ON A SECOND STRIKE CAPABILITY SUFFICIENT TO MAKE THE COST OF AGGRESSION UNBEARABLE TO PERU. THE JAGUARS WOULD HAVE FIT IN WELL WITH SUCH A STRATEGY. WITH THE PURCHASE OF MIRAGE F-1 INTERCEPTORS, HOWEVER, THE GOE HAS ABANDONED THAT CONCEPT IN FAVOR OF THE DEFENSIVE STRATEGY NOTED ABOVE. THE ROLE OF THE JAGUARS IN THAT STRATEGY WOULD BE LIMITED TO TACTICAL SUPPORT OF GROUND UNITS AND PERHAPS RETALIATORY STRIKES AGAINST PERU'S TALARA AIR BASE.

### 3. MISSION PERCEPTION OF THE THREAT.

A. THE USG AND THIS MISSION SHARE, TO SOME EXTENT, THE GOE PERCEPTION OF THE PERUVIAN THREAT. AT THE SAME TIME, WE WOULD ASSIGN A SIGNIFICANTLY LOWER DEGREE OF POSSIBILITY TO POTENTIAL PERUVIAN AGGRESSION THAN WOULD THE GOE. NOR DO WE BELIEVE THAT PERU HAS A CRUCIAL INTEREST IN SEIZING ECUADOR'S OIL FIELDS IN VIEW OF PERU'S RECENTLY IMPROVED DOMESTIC PETROLEUM PROSPECTS. NONETHELESS, WE DO BELIEVE THAT SHOULD HOSTILITIES BREAK OUT IN THE REGION ECUADOR MIGHT, PERFORCE, BECOME INVOLVED IN THEM. SIMILARLY, WE BELIEVE THAT AN ADEQUATELY ARMED ECUADOR COULD SERVE TO DISSUADE PERU FROM AGGRESSIVE ACTIONS SINCE IT WOULD MAKE PERU FACE THE LIKELIHOOD OF A SERIOUS TWO-FRONT CONFLICT.

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R 262158Z JUL 78  
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TO SECSTATE WASHDC 8894  
SECDEF WASHDC  
INFO AMEMBASSY LA PAZ  
AMEMBASSY LIMA  
AMEMBASSY SANTIAGO  
AMCONSUL GUAYAQUIL  
USCINCSO QUARRY HTS CZ  
JCS WASHDC  
CSA WASHDC  
CNO WASHDC  
CSAF WASHDC

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4. HOST COUNTRY MILITARY ESTABLISHMENT.  
A. AS NOTED IN PARA. 2B, ABOVE, ECUADOR HAS CHOSEN TO  
COUNTER THE PERCEIVED THREAT BY ARMING DEFENSIVELY.  
ECUADOR BROOKS NO ILLUSIONS THAT IT IS OR CAN BE A MATCH  
FOR PERU MILITARILY. IT CANNOT ARM TO THE EXTENT PERU HAS,  
NOR CAN IT CONSCRIPT OR MAINTAIN SUFFICIENT MANPOWER TO  
REPRESENT A THREAT TO PERU. EACH OF THE MILITARY  
SERVICES IN ECUADOR APPROACHES THE PROBLEM OF DEVELOPING  
ITS STRATEGY INDEPENDENTLY, WITHIN THE UMBRELLA DECISION  
TO ADOPT A DEFENSIVE STRATEGY AND IN LIGHT OF THE OTHER  
MISSIONS EACH SERVICE IS RESPONSIBLE FOR. THUS, THE NAVY  
HAS CONCENTRATED ON MISSILE AND TORPEDO-ARMED PATROL CRAFT  
WHICH PERMIT CONTROL OF TERRITORIAL WATERS AS WELL AS  
PROVIDING A DEFENSE AGAINST PERUVIAN ATTACK. THE ARMY  
HAS CONCENTRATED ON ACQUIRING FRONT-LINE ANTI-TANK

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WEAPONRY BACKED UP BY MOBILE, ARMORED RESERVE CAPABLE OF  
BEING USED BOTH FOR INTERNAL SECURITY AND EXTERNAL DEFENSE.  
THE AIR FORCE HAS ACQUIRED MEDIUM RANGE STRIKE  
AIRCRAFT WHICH COULD BE USED IN A TACTICAL SUPPORT ROLE OR  
TO ATTACK FORWARD PERUVIAN AIR BASES, AND IS ACQUIRING  
SUPERSONIC INTERCEPTOR CAPABILITY TO COUNTER PERU'S  
MACH-2PLUS AIRCRAFT, AND STATIC ANTI-AIRCRAFT MISSILE DEFENSES

FOR MAJOR BASES.

5. US ASSESSMENT OF HOST COUNTRY FORCES.

A. THE GENERAL THRUST OF ECUADOR'S STRATEGY, THAT OF DEFENSE, CERTAINLY COINCIDES WITH THE USG'S DESIRE TO RESTRICT THE SPREAD OF MODERN, OFFENSIVE WEAPONS. AT THE SAME TIME, WE BELIEVE THAT ECUADOR COULD ACQUIRE DEFENSIVE CAPABILITY SUFFICIENT TO MEET THE PROBABLE THREAT AT LESS COST AND WITH MORE PRECISION THAN IT HAS DONE. THIS ANALYSIS IS, HOWEVER, BASED ON OUR SUPERIOR INTELLIGENCE RESOURCES AND PLANNING CAPABILITY. IT IS NOT SURPRISING THAT, GIVEN ITS CAPABILITIES, THE GOE HAS CHOSEN THE FORCE PATTERN IT HAS. IN ANY EVENT, WE HAVE LITTLE CONTROL OVER ECUADOR'S FORCE DEVELOPMENT. IT CAN AND WILL ACQUIRE WHAT IT DEEMS NECESSARY FROM A VARIETY OF SOURCES.

B. ON A MORE GENERAL LEVEL, ECUADOR'S FORCE DEVELOPMENT DOVETAILS QUITE WELL WITH OUR INTERESTS AND OBJECTIVES AS DESCRIBED IN PARA. 1. WE ARE IN A POSITION TO COOPERATE MUCH MORE WITH, AND THEREBY MAINTAIN INFLUENCE OVER, A MILITARY ESTABLISHMENT WHICH EMPHASIZES DEFENSIVE STRATEGY THAN ONE INTERESTED IN ACQUIRING POTENTIALLY OFFENSIVE WEAPONS. THUS, WE CAN SHOW OUR SUPPORT FOR AND FRIENDSHIP WITH ECUADOR IN A WAY WE COULD NOT UNDER OTHER FORCE DEVELOPMENT STRATEGIES. OUR OBJECTIVES, PARTICULARLY THAT OF LIMITING THE POSSIBILITY OF WAR IN THE ANDEAN REGION CAN ALSO BE SERVED BY ECUADOR'S FORCE STRATEGY

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SINCE IT DOES NOT APPRECIABLY INCREASE THE THREAT OF CONFLICT.

6. ANALYSIS OF DEFENSE SPENDING IN THE ECONOMY.

B. IT IS PRACTICALLY IMPOSSIBLE TO DETERMINE WITH A HIGH DEGREE OF ACCURACY GOE SPENDING IN GENERAL, AND THE PROBLEM IS EVEN GREATER WHEN DEFENSE EXPENDITURES, CONSIDERED CLASSIFIED, ARE CONSIDERED. ECUADOREAN BUDGET FIGURES DO NOT INCLUDE IMPORTANT SOURCES OF FUNDING WHICH BENEFIT THE GOVERNMENT BUT DO NOT ENTER INTO THE CENTRAL GOVERNMENT BUDGET. SIMILARLY, MANY EXPENDITURES ARE HIDDEN OR ARE SIMPLY NOT REPORTED AT ALL. DEFENSE SPENDING GIVEN BELOW REPRESENT PUBLISHED FIGURES PLUS THE EMBASSY'S ESTIMATES OF ACTUAL DEFENSE SPENDING IMPACT. EMBASSY ALSO NOTES THAT THESE FIGURES, REPRESENTING AS THEY DO CY77 AND 78 FIGURES, DO NOT ACCURATELY REPRESENT THE BURDEN OF DEFENSE EXPENDITURES IN THE ECONOMY IN FY80. THE GOE HAS ACQUIRED RECENTLY OR IS IN THE PROCESS OF ACQUIRING, MILITARY EQUIPMENT VALUED AT SOME \$750-800 MILLION. THAT EQUIPMENT HAS BEEN FINANCED THROUGH COMMERCIAL LOANS THAT GENERALLY HAVE A TWO TO THREE YEAR GRACE PERIOD. PAYMENT OF INTEREST AND AMORTIZATION OF CAPITAL AMOUNT OF THOSE LOANS WILL, THEREFORE, HAVE BEGUN BY 1980. THE EFFECT

THIS ADDED DEBT BURDEN HAS ON THE ECONOMY AND THE EFFECT OF THE ADDED DEFENSE EXPENDITURE AS A PERCENT OF GOVERNMENT BUDGET AND GDP CAN NOT BE ACCURATELY KNOWN IN THE ABSENCE OF ACCURATE PREDICTIONS OF THE CONDITION OF THE ECONOMY IN FY80.

B. PUBLISHED DEFENSE EXPENDITURES (\$US 168.5 MILLION) CONSTITUTE 18 PERCENT OF THE PUBLISHED NATIONAL BUDGET FOR 1978. BOTH FIGURES ARE UNDERESTIMATED, BUT THE EMBASSY DOES NOT BELIEVE THAT DEFENSE EXPENDITURES EXCEED 20 PERCENT OF THE NATIONAL BUDGET. PUBLISHED DEFENSE EXPENDITURE FIGURES (1978 BUDGET) CONSTITUTE THREE PERCENT OF THE 1977 GROSS DOMESTIC PRODUCT. ALLOWING FOR OMISSIONS IN THE DEFENSE BUDGET, AND FOR GROWTH IN THE GDP FOR 1978, WE DO NOT BELIEVE THAT TOTAL DEFENSE EXPENDITURES CURRENTLY REACH  
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FOUR PERCENT OF GDP. AS NOTED ABOVE, THIS SITUATION COULD CHANGE BY FY80, WHEN PAYMENT OF SIGNIFICANT MILITARY LOANS BEGINS TO COME DUE. AT THE VERY WORST, HOWEVER, WE DO NOT BELIEVE MILITARY EXPENDITURES WOULD EXCEED 25 PERCENT OF THE BUDGET AND 5 PERCENT OF GDP.

C. ECUADOR DOES NOT HAVE ANY SERIOUS DEBT SERVICE OR FOREIGN EXCHANGE PROBLEMS AT THIS TIME. THE ECONOMY IS IN RELATIVELY STABLE CONDITION AND FOREIGN EXCHANGE RESERVES ARE QUITE HIGH. DEBT SERVICE DOES NOT PRESENTLY EXCEED 15 PERCENT OF EXPORT EARNINGS.

10. ARMS CONTROL IMPACT OF MAJOR PROPOSED SALE.  
AT THE PRESENT TIME WE DO NOT ANTICIPATE REQUESTS FOR THE SALE OF ANY MAJOR ITEMS OF DEFENSE EQUIPMENT. THE GOE WILL COMPLETE ITS MAJOR ARMS ACQUISITIONS IN FY79 AND BY FY80 WILL BE LARGELY OCCUPIED WITH ASSIMILATING THOSE PURCHASES. THE LARGEST POTENTIAL ITEMS COULD BE ONE DD OUT OF MOTHBALLS, WITH A POSSIBLE VALUE INCLUDING REFITTING OF \$18-20 MILLION, A SMALL NUMBER OF T-33 AIRCRAFT AND PERHAPS FIVE 155 MM. SELF PROPELLED HOWITZERS VALUED AT \$1.7 MILLION. NONE OF THOSE ITEMS WOULD HAVE ANY IMPACT ON ARMS CONTROL EFFORTS. THEY WOULD NOT HAVE A NEGATIVE IMPACT ON REGIONAL STABILITY AND WOULD CERTAINLY NOT INTRODUCE NEW CAPABILITIES INTO THE REGION.

11. HUMAN RIGHTS ASSESSMENT.  
AS NOTED IN PARA. 1, ECUADOR'S MILITARY GOVERNMENT HAS HAD A RELATIVELY GOOD HUMAN RIGHTS RECORD OVER THE PAST SEVERAL YEARS. IN ANY EVENT, ECUADOR IS CURRENTLY IN THE PROCESS OF RETURNING TO CIVILIAN, CONSTITUTIONAL RULE AND BY FY80 A FREELY ELECTED GOVERNMENT WILL BE IN POWER. UNDER THESE CIRCUMSTANCES OUR SECURITY ASSISTANCE PROGRAM SHOULD HAVE LITTLE RELATION TO HUMAN RIGHTS MATTERS, PARTLY BECAUSE WE  
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ANTICIPATE NO HUMAN RIGHTS PROBLEMS AND PARTLY BECAUSE THE ARMED FORCES WOULD NO LONGER BE DIRECTLY INVOLVED WITH INTERNAL SECURITY FUNCTIONS. A SECURITY ASSISTANCE PROGRAM OF THE SIZE PROJECTED FOR ECUADOR IN FY80 DOES NOT PROVIDE, IN ANY EVENT, SUFFICIENT LEVERAGE TO HAVE MUCH OF AN IMPACT ON HUMAN RIGHTS QUESTIONS SHOULD THAT BECOME NECESSARY.

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JCS WASHDC

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12 ECONOMIC AND MILITARY ASSISTANCE FROM OTHER SOURCES. IN ADDITION TO CONCESSIONAL LENDING FROM IFI'S, ECUADOR RECIEVES SMALL AMOUNTS OF ASSISTANCE FROM A NUMBER OF WESTERN EUROPEAN COUNTRIES. ECUADOR HAS ALSO PURCHASED SOPHISTICATED MILITARY EQUIPMENT FROM WESTERN EUROPEAN COUNTRIES, PARTICULARLY GREAT BRITAIN AND FRANCE, IN THE RECENT PAST. WE ANTICIPATE THAT MOST MAJOR PURCHASES WILL HAVE BEEN CONSUMMATED PRIOR TO FY80. ECUADOR ALSO RECEIVES SOME TRAINING IN WESTERN EUROPEAN COUNTRIES, AND

SHOULD BE RECEIVING MORE BY FY80 AS IT ASSIMILATES MAJOR WEAPONS SYSTEMS PURCHASED IN FY78 AND 79.

13 COUNTRY PROGRAM LEVELS.

A. GENERAL.

THE EXISTENCE OF SEVERAL SIGNIFICANT VARIABLES MAKE IT  
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DIFFICULT TO PROVIDE OBJECTIVE, REALISTIC ALTERNATIVE FUNDING LEVELS FOR FY80. ONE IS THE NEED FOR PARITY WITH PERU AND OTHER SIMILAR COUNTRIES IN THE ANDEAN AREA. LOWER LEVELS FOR ECUADOR WOULD HAVE TO BE MATCHED BY LOWER LEVELS FOR ALL. ANOTHER FACTOR IS THE RELATIONSHIP OF THE MILITARY TO THE NEW, CIVILIAN GOVERNMENT. IT IS POSSIBLE THAT A LOWER LEVEL OF ASSISTANCE WOULD ALLOW US TO ACHIEVE OUR OBJECTIVES IF THE ARMED FORCES ASSUME A LESS IMPORTANT ROLE IN NATIONAL LIFE THAN IS NOW THE CASE. ON THE OTHER HAND, SHOULD THE CIVILIAN GOVERNMENT SIGNIFICANTLY REDUCE THE ARMED FORCES' ACCESS TO FUNDING, OUR SECURITY ASSISTANCE COULD TAKE ON ADDED IMPORTANCE AND ANY REDUCTION COULD HAVE SERIOUS CONSEQUENCES. A THIRD FACTOR IS THE LIMITATION ON THE USE OF CREDIT UNDER CURRENT POLICY. IF FMS CREDIT COULD ROUTINELY BE USED TO PURCHASE NON-MAJOR END ITEMS, IT IS POSSIBLE A LOWER LEVEL WOULD BE ACCEPTABLE. FINALLY, WE WOULD NOTE THAT IMET IS ALREADY AT THE ACCEPTABLE MINIMUM. IN ANY EVENT, CURRENT AND ANTICIPATED SECURITY ASSISTANCE LEVELS REPRESENT TOKEN ASSISTANCE AT BEST. SECURITY ASSISTANCE IS IMPORTANT BECAUSE IT IDENTIFIES US WITH ECUADOR, NOT BECAUSE IT PERMITS THE ACQUISITION OF MAJOR END ITEMS.

B. MINIMUM LEVEL. THE MINIMUM PROGRAM LEVEL COULD BE AS LOW AS \$3.5 MILLION, UNDER OPTIMUM CIRCUMSTANCES, OR AS HIGH AS \$6.5 MILLION. IF SECURITY ASSISTANCE ASSUMES LESS IMPORTANCE UNDER A CIVILIAN GOVERNMENT, IF OTHER COUNTRY PROGRAMS ARE SIMILARLY REDUCED AND IF POLICY WERE CHANGED TO PERMIT FMS CREDITS TO BE USED TO PURCHASE TRAINING AND OTHER NON-END ITEMS, A \$3.5 MILLION LEVEL WOULD BE ADEQUATE. IT WOULD ALLOW \$0.5 MILLION FOR IMET TRAINING AND \$3 MILLION FMS CREDIT, GIVING EACH SERVICE FUNDS TO PURCHASE A VARIETY OF EQUIPMENT, AMMUNITION AND TRAINING. IN THE ABSENCE OF THE THREE CONDITIONS LISTED ABOVE, \$6.5 MILLION WOULD REPRESENT  
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A MINIMUM PROGRAM. THAT WOULD PERMIT \$0.5 MILLION FOR IMET AND \$6 MILLION FOR FMS CREDIT WHICH WOULD ALLOW EACH SERVICE TO MAKE INITIAL FINANCING FOR MAJOR ITEMS. A PROGRAM BELOW



THESE LEVELS WOULD INDICATE A LEVEL OF INTEREST IN ECUADOREAN AND REGIONAL MILITARY EVENTS THAT WOULD MAKE THE ACHIEVEMENT OF OUR OBJECTIVES IMPOSSIBLE. THIS LEVEL CONTAINS NO RISK PROVIDES THE BENEFIT OF ALLOWING US SOME OPPORTUNITY TO ACHIEVE OUR OBJECTIVES, AND WOULD HAVE NO HUMAN RIGHTS IMPACT.

C. INTERMEDIATE LEVEL. \$9.5 MILLION (\$6.5 MILLION UNDER OPTIMUM CONDITIONS NOTED ABOVE) WOULD PERMIT THE GOE TO FINANCE SOME GREATER DEGREE OF ITS MAJOR END ITEMS WITH FMS CREDIT WHILE RECEIVING THE PRESENT, MINIMAL, IMETP SUPPORT. EMBASSY SEES NO RISK AT THIS LEVEL AND A MARGINAL INCREASE IN BENEFIT OVER THE MINIMAL LEVEL. THERE WOULD BE NO HUMAN RIGHTS IMPACT

D. CURRENT LEVEL. \$10.5 MILLION REPRESENTS THE CURRENT LEVEL OF FMS CREDIT AND IMETP COMBINED. THIS LEVEL PRESENTS NO RISK AND PERMITS US TO PURSUE OUR OBJECTIVES HERE. THERE IS NOW, AND WE ANTICIPATE NONE IN THE FUTURE, HUMAN RIGHTS IMPACT OF THIS LEVEL.

E. INCREMENTAL LEVEL. WE CANNOT IDENTIFY A SPECIFIC INCREMENTAL LEVEL OF FMS CREDIT WHICH IS LIKELY TO BE APPROVED THAT WOULD APPRECIABLY ADD TO OUR ABILITY TO ACHIEVE OUR OBJECTIVES. WE DO BELIEVE, HOWEVER, THAT A SUBSTANTIAL INCREASE IN IMET FUNDS COULD BE JUSTIFIED TOWARD THAT END. AN INCREASE IN IMET FUNDS OF UP TO \$2 MILLION COULD BE ABSORBED AND WOULD PERMIT US TO FUND A GREATER PORTION OF OUR PROGRAM IN THE US, AS OPPOSED TO THE CANAL ZONE, A DEVELOPMENT WE STRONGLY BELIEVE WOULD INCREASE THE BENEFIT THE US DERIVES FROM THE PROGRAM. THUS, WE WOULD PROPOSE AN INCREMENTAL LEVEL OF \$12.5 MILLION, WITH THE ENTIRE INCREASE COMING IN IMETP.

F. SECURITY ASSISTANCE MANNING LEVELS. CURRENT SECURITY ASSISTANCE MANNING LEVELS ARE 6 US MILITARY, 1 US CIVILIAN AND 4 LOCAL HIRE. THESE LEVELS WOULD NOT CHANGE FOR ANY OF  
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THE PROGRAM LEVELS DESCRIBED ABOVE. THE STAFFING FOR SECURITY ASSISTANCE FUNCTIONS IS ALREADY AT THE MINIMUM WHICH WILL PERMIT NECESSARY WORK TO BE ACCOMPLISHED. THE MINIMUM PROGRAM LEVEL WOULD NOT PERMIT ANY REDUCTIONS IN PERSONNEL, WHILE ANY INCREMENTAL PROGRAM COULD STILL BE CARRIED OUT BY THE CURRENT STAFF. EMBASSY IS PREPARING A RESPONSE TO STATE 173674 WHICH REQUESTED DETAILED INFORMATION ON A PROPOSED CONSOLIDATION OF SECURITY ASSISTANCE OFFICE AND DAO. SHOULD SUCH A CONSOLIDATION TAKE PLACE, SOME REDUCTION IN MANPOWER WOULD BE POSSIBLE AT ALL PROGRAM LEVELS.

15. MISSION SEES NO REQUIREMENT FOR INCREASED PROGRAM FUNDING FOR FY 81 AND 82. THUS, PROGRAM REQUIREMENT WOULD BE SAME AS FOR FY 79 AND 80. ONLY CHANGE WOULD BE IN INCREASED REQUIREMENT FOR IMETP, SHOULD CZ SCHOOLS

TERMINATE OPERATION. IN THAT EVENT HIGHER COSTS OF CONUS  
TRAINING WOULD REQUIRE MORE LIBERAL IMETP FUNDING IN ORDER  
TO RETAIN PROGRAM EFFECTIVENESS AT ALL PROPOSED LEVELS.  
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## Message Attributes

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**Status:** NATIVE  
**Subject:** ANNUAL INTEGRATED ASSESSMENT OF SECURITY ASSISTANCE  
**TAGS:** MASS, MPOL, EC  
**To:** STATE DOD  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/bcfa576c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
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